



CANACCORD GENUITY GROUP INC. REPORTS FIRST QUARTER FISCAL 2022 RESULTS

Excluding significant items, first quarter earnings per common share of \$0.73 ⁽¹⁾

La version française du présent communiqué sera déposée sur SEDAR. / A French-language version of this communication will be made available on SEDAR

TORONTO, August 3, 2021 –Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the first fiscal quarter, ended June 30, 2021.

"We are pleased to have had such a productive start to our fiscal year, with higher contributions from our global wealth management operations, a continuance of strong capital raising activity in our capital markets businesses, and substantial growth in advisory activity," said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. "Although we anticipate a more normalized environment for underwriting activities in our core focus sectors, we are increasingly delivering on a strong pipeline of higher-margin advisory activities and continuing to invest in the growth of our global wealth management operations."

"We begin the fiscal year with fewer common shares outstanding on a fully diluted basis, and we expect continued buyback activity over the coming year, which will support enhanced earnings per share in any market backdrop."

First fiscal quarter highlights:

(All dollar amounts are stated in thousands of Canadian dollars unless otherwise indicated)

- First quarter revenue excluding significant items¹ of \$523.8 million, third highest quarterly revenue on record
- Excluding significant items¹, first quarter pre-tax net income of \$114.0 million, a year-over-year improvement of 172.9%
- Excluding significant items¹, diluted earnings per common share for the first fiscal quarter was \$0.73 per share (\$0.63 per share on an IFRS basis), an increase of 192% compared to the first quarter of fiscal 2021
- Global capital markets revenue increased 38.1% year-over-year to \$324.2 million, reflecting a continuance of strong capital raising activity, and substantial growth in advisory activity
- Quarterly investment banking revenue in our capital markets business increased 55.0% year-over-year to \$151.1 million, driven by strong new-issue activity and continued strong activity levels in the life sciences, technology, and mining sectors
- Record quarterly advisory revenue of \$76.0 million in our capital markets business, increased 269.3% compared to the same period a year ago
- Advisory revenue earned by our US capital markets business in the first fiscal quarter amounted to \$46.4 million, a year-over-year improvement of 652.7%
- Global wealth management revenue increased 41.4% when compared to the first quarter of fiscal 2021, to \$195.0 million, of which \$104.2 million was earned in our Canadian wealth management business
- Total client assets in our global wealth management business increased to \$94.9 billion, an increase of 6.9% from Q4/21
- Client assets in our Canadian wealth management business grew 55.5% year-over-year to \$34.6 billion
- Purchased 934,516 common shares for cancellation under the normal course issuer bid (NCIB) during the three months ended June 30, 2021
- Capital deployment initiatives for the first quarter including dividends and NCIB buyback totalled \$19.3 million or 26.4% of net income for the quarter
- First quarter common share dividend of \$0.075 per common share

	Three months ended June 30		Year-over-year change	Three months ended March 31	Quarter-over-quarter change
	Q1/22	Q1/21		Q4/21	
First fiscal quarter highlights- adjusted¹					
Revenue – excluding significant items ¹	\$523,831	\$377,728	38.7%	\$692,326	(24.3)%

¹ Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A

Expenses - excluding significant items ¹	\$409,874	\$335,965	22.0%	\$509,087	(19.5)%
Earnings per common share – diluted, excluding significant items ¹	\$0.73	\$0.25	192.0%	\$1.20	(39.2)%
Net Income - excluding significant items ¹	\$84,654	\$32,897	157.3%	\$137,128	(38.3)%
Net Income attributable to common shareholders – excluding significant items ^{1,3}	\$81,251	\$29,065	179.5%	\$133,260	(39.0)%
First fiscal quarter highlights- IFRS					
Revenue	\$518,831	\$377,728	37.4%	706,526	(26.6)%
Expenses	\$419,130	\$340,674	23.0%	\$518,810	(19.2)%
Earnings per common share – diluted	\$0.63	\$0.22	186.4%	\$0.93	(32.3)%
Net Income ²	\$73,053	\$28,964	152.2%	\$139,394	(47.6)%
Net Income attributable to common shareholders ³	\$69,650	\$25,132	177.1%	\$135,526	(48.6)%
<p>1. Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A</p> <p>2. Before non-controlling interests and preferred share dividends</p> <p>3. Net income attributable to common shareholders is calculated as the net income adjusted for non-controlling interests and preferred share dividends</p>					

Core business performance highlights:

Canaccord Genuity Wealth Management

The Company's combined global wealth management operations earned revenue of \$195.0 million for the first fiscal quarter, a year-over-year increase of 41.4%. Excluding significant items¹, the pre-tax net income contribution from this segment increased by 98.3% year-over-year to \$48.2 million, which represents 36.4% of the adjusted pre-tax net income attributable to the Company's combined operating businesses for the three-month period.

- Wealth management operations in the UK & Crown Dependencies generated \$73.3 million in revenue and, after intersegment allocations, and excluding significant items¹, recorded net income of \$19.4 million before taxes in Q1/22, up 21.2% year over year and 1.2% sequentially
- Canaccord Genuity Wealth Management (North America) generated \$104.2 million in revenue and, after intersegment allocations, recorded net income of \$26.2 million before taxes in Q1/22, an increase of 244.8% and 12.7% compared to Q1/21 and Q4/21 respectively
- Wealth management operations in Australia generated \$17.5 million in revenue and, after intersegment allocations and excluding significant items¹, recorded net income of \$2.6 million before taxes in Q1/22, up 279.4% year over year and 4.6% compared to the previous quarter

First quarter revenue in the Company's UK & Crown Dependencies wealth management business increased by 7.9% compared to Q1/21, driven by an increase in client asset values and fee-based revenue. Pre-tax net income excluding significant items¹ increased by 21.2% compared to the three months ended June 30, 2020 due to an increase in revenue as well as a decrease in non-compensation expenses. On an adjusted¹ basis, the pre-tax profit margin was 26.5%, an increase of 2.9 percentage points year over year. The acquisition of the investment business of Adam & Company is expected to close at the end of the second fiscal quarter. This development will increase client assets in this business by approximately \$2.9 billion and is expected to be accretive. The Company will continue to pursue growth of this business through organic growth and by leveraging its financial partnership to pursue accretive opportunities.

Partially driven by strong investment banking activity during the quarter, revenue in the Company's North American wealth management business increased by 82.9% in Q1/22 compared to the same period in the prior year. First quarter investment banking revenue in this business was a quarterly record of \$40.3 million, up 210.7% year-over-year. Average AUA per IA team has improved by 54.4% year-over-year on new asset growth and exceptionally strong ECM opportunities. The quarterly pre-tax profit margin in this business was 25.1%, an increase of 11.8 percentage points from Q1/21.

Our Australian wealth management operations earned revenue of \$17.5 million in Q1/22, an increase of 34.4% over Q1/21. Pre-tax net income excluding significant items¹ increased by 279.4% compared to the three months ended June 30, 2020. On an adjusted¹ basis, the pre-tax profit margin was 14.9%, an increase of 9.6 percentage points year over year.

Total client assets in the Company's global wealth management businesses at the end of the first fiscal quarter amounted to \$94.9 billion.

- Client assets in North America were \$34.6 billion as at June 30, 2021, an increase of 7.3% from \$32.2 billion at the end of the previous quarter and an increase of 55.5% from \$22.2 billion at June 30, 2020
- Client assets in the UK & Crown Dependencies were \$55.6 billion (£32.4 billion) as at June 30, 2021, an increase of 6.3% from \$52.3 billion (£30.2 billion) at the end of the previous quarter and an increase of 27.6% from \$43.6 billion (£25.9 billion) at June 30, 2020
- Client assets in Australia were \$4.7 billion (AUD 5.0 billion) as at June 30, 2021, an increase of 11.0% from \$4.2 billion (AUD 4.4 billion) at the end of the previous quarter and an increase of 53.1% from \$3.1 billion (AUD 3.3 billion) at June 30, 2020. In addition, client assets totalling \$16.5 billion are also held in other accounts on our Australian wealth management trading platform

Canaccord Genuity Capital Markets

Excluding significant items¹, this segment contributed pre-tax net income of \$84.4 million for the quarter, an improvement of 145.4% compared to the same period in the previous fiscal year. Globally, Canaccord Genuity Capital Markets earned first fiscal quarter revenue of \$324.2 million, an increase of 38.1% compared to the same period a year ago. Revenue from higher-margin advisory activities increased 269.3% year-over-year to \$76.0 million.

- Canaccord Genuity Capital Markets led or co-led 110 investment banking transactions globally, raising total proceeds of \$4.2 billion during fiscal Q1/22.
- Canaccord Genuity Capital Markets, including led or co-led, participated in 199 investment banking transactions globally, raising total proceeds of \$20.4 billion during fiscal Q1/22.

Revenue in the Company's US capital markets business increased by 33.5% for the three months ended June 30, 2021 compared to Q1/21. This included an increase of \$12.0 million or 43.7% in investment banking revenue over Q1/21 and an increase of \$40.2 million or 652.7% in advisory fees revenue. Principal trading revenue in this business decreased by 14.9% year-over-year reflecting a decline in trading volumes.

First quarter revenue in our Canadian capital markets operation increased by \$61.1 million or 110.6% year-over-year but decreased by 41.6% compared to an exceptionally strong performance in Q4/21. Investment banking revenue for the three-month period was 239.3% higher than in the first fiscal quarter of 2021. Advisory fees revenue for the first fiscal quarter increased 94.6% year-over-year, to \$19.5 million.

Revenue in our Australia operations decreased from \$42.5 million in Q1/21 to \$28.0 million in the first quarter of fiscal 2022. The decrease in the current quarter was largely driven by decreased investment banking activity in our focus sectors, including mining and resource companies, and reflects a decline in market values for certain inventory and warrant positions earned in respect of investment banking activity.

Our UK & Europe capital markets business achieved a revenue increase of 19.5% year-over-year. Despite a softer environment for principal trading activities in the region, investment banking and advisory fees revenue increased by 15.0% and 130.2% respectively. Pre-tax profit was \$3.1 million for the three months ended June 30, 2021 compared to a pre-tax profit of \$1.0 million in the same period a year ago.

Summary of Corporate Developments:

On July 29, 2021, the Company completed the previously announced investment in its UK wealth management division by investment accounts and funds managed by HPS Investment Partners, LLC (collectively, "HPS").

HPS has acquired convertible preferred shares (the "Convertible Preferred Shares") in the amount of £125 million (C\$218 million) issued by Canaccord Genuity Wealth Group Holdings (Jersey) Limited ("CGWM UK"), the parent company of the Company's wealth management operating subsidiaries in the UK and the Crown Dependencies (the "Transaction"). On an as converted basis, the Convertible Preferred Shares represent an approximate 22% equity interest in CGWM UK.

Pursuant to the terms of a loan provided by HPS on April 6, 2021, the Company entered into a credit agreement with lenders, Lucid Agency Services Limited as administrative agent and Lucid Trustee Services Limited as security agent, for a senior secured first lien term loan facility in an aggregate principal amount of £69 million (C\$118.3 million as of June 30, 2021). This loan has been repaid from the proceeds of the Transaction.

In connection with the Transaction, CGWM UK has provided for the purchase by management of certain equity instruments in CGWM UK within the context of the Transaction value and which are expected to reflect an approximate 4% equity-equivalent interest in CGWM UK. A management incentive arrangement has also been implemented which will provide for certain incentives with performance thresholds related to the future growth of CGWM UK.

In connection with the upcoming reset of the dividend rate applicable to the Cumulative 5-Year Rate Reset First Preferred Shares, Series A of the Company (the "Series A Preferred Shares") for the five-year period commencing on October 1, 2021, and ending on and including September 30, 2026, at their meeting on August 3, 2021, the directors determined that the Company will not exercise its right to redeem all or any part of the currently outstanding Series A Preferred Shares on September 30, 2021.

Results for the first quarter of fiscal 2022 were impacted by the following significant items:

- Fair value adjustments on certain illiquid or restricted marketable securities recorded for IFRS reporting purposes, but which are excluded for management reporting purposes and are not used by management to assess operating performance
- Amortization of intangible assets acquired in connection with business combinations
- Certain incentive-based costs related to the acquisitions and growth initiatives in the UK & Crown Dependencies wealth business
- As reference above, on April 6, 2021, the Company entered into a credit agreement for a senior secured first lien term loan facility ("loan facility") to partially fund the redemption of its convertible debentures. Transaction costs incurred in connection with the loan facility are recognized on an amortized cost basis and included in the effective interest rate of the facility. Interest associated with this loan facility is included in costs associated with redemption of convertible debentures in the statement of operations for the three months ended June 30, 2021.

Summary of results for Q1 fiscal 2022 and selected financial information excluding significant items¹

(C\$ thousands, except per share and % amounts)	Three months ended June 30		Year-over-year change
	2021	2020	
Total revenue per IFRS	\$518,831	\$377,728	37.4%
Total expenses per IFRS	\$419,130	\$340,674	23.0%
Revenue			
<i>Significant items recorded in Corporate and Other</i>			
Fair value adjustment on illiquid or restricted marketable securities	\$5,000	-	n.m.
Total revenue excluding significant items	\$523,831	\$377,728	38.7%
Expenses			
<i>Significant items recorded in Canaccord Genuity Capital Markets</i>			
Amortization of intangible assets	\$293	\$748	(60.8)%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>			
Amortization of intangible assets	\$3,148	\$3,326	(5.4)%
Incentive-based costs related to acquisition ⁽²⁾	\$351	\$635	(44.7)%
<i>Significant items recorded in Corporate & Other</i>			
Costs associated with redemption of convertible debentures ⁽³⁾	\$5,464	-	n.m.
Total significant items	\$9,256	\$4,709	96.6%
Total expenses excluding significant items	\$409,874	\$335,965	22.0%
Net income before taxes – adjusted	\$113,957	\$41,763	172.9%
Income taxes – adjusted	\$29,303	\$8,866	230.5%
Net income - adjusted	\$84,654	\$32,897	157.3%
Net income attributable to common shareholders, adjusted	\$81,251	\$29,065	179.5%
Earnings per common share – basic, adjusted	\$0.84	\$0.30	180.0%
Earnings per common share – diluted, adjusted	\$0.73	\$0.25	192.0%

¹Figures excluding significant items are non-IFRS measures. See Non-IFRS measures in page 6 of the MD&A

² Incentive-based costs related to the acquisitions and growth initiatives in the UK & Crown Dependencies wealth management business.

³ During the three months ended June 30, 2021, the Company entered into a credit agreement for a senior secured first lien term loan facility ("loan facility") to partially fund the redemption of the convertible debentures. Transaction costs incurred in connection with the loan facility are recognized on an amortized cost basis and included in the effective interest rate of the facility. Interest associated with this loan facility is included in costs associated with redemption of convertible

debentures for the three months ended June 30, 2021.

Financial condition at the end of first quarter fiscal 2022 vs. fourth quarter of fiscal 2021

- Cash and cash equivalents balance of \$1.4 billion, a decrease of \$518.3 million from \$1.9 billion
- Working capital of \$576.9 million, an increase of \$24.4 million from \$552.5 million
- Total shareholders' equity of \$1.12 billion, an increase of \$16.2 million from \$1.11 billion

Common and Preferred Share Dividends:

On August 3, 2021, the Board of Directors approved a dividend of \$0.075 per common share, payable on September 10, 2021, with a record date of August 27, 2021.

On August 3, 2021, the Board approved a cash dividend of \$0.24281 per Series A Preferred Share payable on September 30, 2021 to Series A Preferred shareholders of record as at September 17, 2021.

On August 3, 2021, the Board approved a cash dividend of \$0.31206 per Series C Preferred Share payable on September 30, 2021 to Series C Preferred shareholders of record as at September 17, 2021.

ACCESS TO QUARTERLY RESULTS INFORMATION

Interested investors, the media and other stakeholders may review the earnings release and supplementary financial information at www.cgf.com/investor-relations/investor-resources/financial-reports/

QUARTERLY CONFERENCE CALL AND WEBCAST PRESENTATION

Interested parties are invited to listen to Canaccord Genuity's first quarter results conference call via live webcast or a toll-free number. The conference call is scheduled for Wednesday, August 4, 2021 at 8:00 a.m. Eastern time, 5:00 a.m. Pacific time, 1:00 p.m. UK time, 8:00 p.m. China Standard Time, and 10:00 p.m. Australia EST. During the call, senior executives will comment on the results and respond to questions from analysts and institutional investors.

The conference call may be accessed live and will also be archived on a listen-only basis at: www.cgf.com/investor-relations/news-and-events/conference-calls-and-webcasts/

Analysts and institutional investors can call in via telephone at:

- 416-764-8609 (within Toronto)
- 888-390-0605 (toll free outside Toronto)
- 0-800-652-2435 (toll free from the United Kingdom)
- 0-800-916-834 (toll free from France)
- 10-800-714-1938 (toll free from Northern China)
- 10-800-140-1973 (toll free from Southern China)
- 1-800-076-068 (toll free from Australia)
- 80-003-570-3632 (toll free from United Arab Emirates)

Please ask to participate in the Canaccord Genuity Group Inc. Q1/22 results call. If a passcode is requested, please use 28296321.

A replay of the conference call will be made available from approximately two hours after the live call on August 3, 2021 until October 4, 2021 at 416-764-8677 or 1-888-390-0541 by entering passcode 296321 followed by the (#) key.

ABOUT CANACCORD GENUITY GROUP INC.:

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the "Company") is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and capital markets. Since its establishment in 1950, the Company has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. The Company has Wealth Management offices located in Canada, the UK, Guernsey, Jersey, the Isle of Man and Australia. The Company's international capital markets division operates in North America, UK & Europe, Asia, Australia and the Middle East.

Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX.

FOR FURTHER INFORMATION:

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www.cgf.com/investor-relations

None of the information on the Company's websites at www.cgf.com should be considered incorporated herein by reference.